February 17, 2004

United Bolero Development Corp.
2nd Floor, 1455 Bellevue Avenue
West Vancouver, British Columbia V7T 1C3

Attention: Michael England

Re: Smokey Gap Field, Natrona County, Wyoming

The following sets forth the terms and conditions of an agreement reached between Big Snowy Resources LLP ("Big Snowy") and United Bolero Development Corp. ("Bolero") in which Bolero has been granted an option to participate with Big Snowy in the drilling of five wells as more particularly described in Schedule "A" hereto.

1. Definitions

In this Agreement including the recitals and this clause, unless the context otherwise requires, the following terms and expressions shall have the following respective meanings, namely:

(a) "Lands" means the lands described in Schedule "A" attached to and incorporated herein as Schedule "A";

(b) "Leases" means the oil, gas and mineral leases described in Schedule "A";

(c) "Operating Agreement" means the operating agreement to be negotiated and entered into between Big Snowy and Bolero with respect to the drilling and operation of the Option Wells ;

(d) "Option Well" means a Well which Bolero has elected to participate in the drilling of pursuant to paragraph 5 (c) herein and "Option Wells" means all Wells which Bolero has elected to participate in the drilling of pursuant to paragraph 5 (c) herein;

(e) "Well" means each well described in Schedule "A" and "Wells" means all five wells described in Schedule "A".

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2. Schedules

The following Schedule is attached hereto and incorporated into this Agreement:

(a) Schedule "A" which sets forth a description of the Lands and Leases.

3. Title

(a) Without warranty of title, Big Snowy represents that:

(i) it is the owner of 50% of the working interest in the Leases covering the Lands located in Natrona County, Wyoming, which Leases and Lands are described in Schedule "A" attached to and incorporated herein; and

(ii) that the Leases, and each of them, are subject to royalties and/or other burdens on production totalling 20% and therefore the net revenue interest in the Leases, and each of them, is equal to 80%.

(b) Except as otherwise provided herein, if the interest of any party in the Leases and Lands is now or shall hereafter become encumbered by any royalty, overriding royalty, production payment or other charge of a similar nature other than the encumbrances referred to in paragraph 3(a) (ii) herein, such royalty, overriding, royalty, production payment or other charge of a similar nature shall be charged to and paid entirely by the party whose interest is or becomes encumbered.

4. Operating Agreement

Big Snowy and Bolero hereby agree to negotiate in good faith and to enter into the Operating Agreement.

5. Exercise of Option to Participate

(a) Not less than 14 days prior to the commencement of drilling of a Well, Big Snowy shall give written notice (the "Notice") to Bolero of the drilling commencement date.

(b) In the event that Bolero elects to participate in the drilling of a Well, Bolero shall pay to Big Snowy, by certified cheque or bank draft, the sum of US $50,000, within seven days of the drilling commencement date set out in the Notice.

(c) In consideration of the US $50,000 for each Option Well, the parties hereto agree that:

(i) Big Snowy hereby assigns and conveys, without warranty of title expressed or implied, unto Bolero, an undivided 50% of the working interest in and to the Lease described in Schedule "A" relating to such Option Well , together with an undivided 50% of 80% net revenue interest in the Lease relating to such Option Well;

(ii) upon the written request by Bolero, Big Snowy shall execute and deliver to Bolero a recordable assignment of the Lease and interest relating to such Option Well;

(iii) Big Snowy at its sole cost, risk and expense and at no cost, risk or expense to Bolero shall drill and complete or cause to be drilled and completed the Option Well within the time and in the manner and at the location and to the depth specified and set forth under the Operating Agreement, subject to and in accordance with the terms and provisions of the Operating Agreement.

6. Appointment of the Operator

Big Snowy is hereby appointed initial Operator. Big Snowy hereby accepts such appointment as Operator.

7. Interests Held In Trust

Big Snowy shall hold Bolero's interest in and to the Leases and Lands in trust together with all the benefits and advantages thereunder, and any and all obligations pursuant thereto subject to the terms and conditions of this Agreement. Big Snowy shall initiate the assignment and transfer of Bolero's interest in each of the Option Wells immediately upon receipt of the US $50,000 relating to such Option Well.

8. Option

Nothing herein shall obligate or require Bolero to exercising its right to participate in the drilling and completion of any Well, unless Bolero has elected to participate pursuant to paragraph 5 hereof.

9. Miscellaneous

(a) This Agreement shall enure to the benefit of and be binding upon the parties hereto, and upon their respective successors and permitted assigns, and upon the heirs, executors, administrators and permitted assigns of natural persons who are or become parties to this Agreement.

(b) The parties hereto shall from time to time and at all times do all such further acts and execute and deliver all such further deeds and documents as shall be reasonably required in order to fully perform and carry out the terms of this Agreement.

(c) This Agreement supersedes all other Agreements, documents, writings and verbal understandings among the parties relating to the title documents and the Leases and Lands.

(d) All terms, covenants, provisions and conditions of this Agreement shall run with and be binding upon the Leases and Lands.

Should the foregoing be in accordance with your understanding of the agreement reached between our companies, please indicate your acknowledgement and acceptance by signing in the space provided and returning one counterpart page to this office.

Yours truly,

Big Snowy Resources LLC

John Campbell

Acknowledged and Agreed to this 17th day of MARCH, 2004

UNITED BOLERO DEVELOPMENT CORP.

Per:

Authorized Signatory

SCHEDULE "A"

1. Sydney 1-33
   NW of SE Section 33
   Township 40N
   Range 80W
   Natrona County, Wyoming

   Federal Lease #: W-0113102
   ADP: 49-025-23137

2. Sydney 2-33
   NW of SE Section 33
   Township 40N
   Range 80W
   Natrona County, Wyoming

   Federal Lease #: W-0113102
   ADP: 49-025-23133

3. Derek 1-3
   NE of NE Section 3
   Township 33-N
   Range 80W
   Natrona County, Wyoming

   Federal Lease #: W-074534
   ADP: 49-025-23134

4. Bridget 1-25
   NW of SW Section 25
   Township 40N
   Range 80W
   Natrona County, Wyoming

   Federal Lease #: W-0003798D
   ADP: 49-025-23135

5. Jack 1-25
   NE of SE Section 25
   Township 40N
   Range 80W
   Natrona County, Wyoming

   Federal Lease #: W-0003798D
   ADP: 49-025-231367

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